

## Message Text

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PAGE 01 HONG K 10976 120928Z  
ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 COME-00 EB-08 SS-15 NSC-05  
CIAE-00 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03  
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INFO AMEMBASSY BANGKOK  
AMEMBASSY PARIS  
AMEMBASSY TAIPEI  
USLO PEKING  
CINPAC

C O N F I D E N T I A L HONG KONG 10976

CINCPAC FOR POLAD

E.O. 11652: GDS  
TAGS: BTRA, EEWT, EFIN, VM, US  
SUBJECT: MANUFACTURERS HANOI REPRESENTATIVE VISIT TO HANOI

REF: (A) HONG KONG 9807, (B) HONG KONG 10781

SUMMARY: MANUFACTURERS HANOI REP SPENT FOUR DAYS IN  
HANOI MEETING WITH VIETNAMESE BANKING AND COMMERCIAL  
OFFICERS. HIS RECEPTION WAS WARM AND EVEN FRIENDLY. TALKS,  
WHICH WERE LENGTHY AND INFORMAL, CONSISTED MAINLY OF THE  
AMERICAN BANKER PROVIDING DETAILED EXPLANATIONS OF WESTERN  
BANKING AND FINANCIAL PRACTICES. ALTHOUGH THE VIETNAMESE  
EXPRESSED HOPE FOR QUICK US/SRV NORMALIZATION, NO MENTION  
WAS MADE OF ECONOMIC ASSISTANCE OR "HEALING THE WOUNDS  
OF WAR." THE VIETNAMESE BANKERS INQUIRED IF THEY WOULD BE  
PERMITTED TO CONSOLIDATE THEIR FROZEN BANK ACCOUNTS INTO  
MORE PROFITABLE BONDS. MANUFACTURERS IS EXPECTED TO  
RAISE THIS WITH TREASURY.

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1. VIETNAMESE HOSTS. JOHN J. HUBER III, MANUFACTURERS  
HANOI TRUST COMPANY ASSISTANCE VICE PRESIDENT IN HONG  
KONG (AND FORMER US MARINE IN DANANG), VISITED HANOI  
AUGUST 24-27 AS THE GUEST OF THE VIETNAMESE BANK OF  
FOREIGN TRADE (VIETCOMBANK). DURING HIS STAY HE WAS  
HOSTED BY VIETCOMBANK'S VICE PRESIDENT, LE HOANG, AND ITS

DEPUTY DIRECTOR FOR FOREIGN RELATIONS, THAI BA MINH.  
HUBER ALSO MET BRIEFLY WITH VIETNAM CHAMBER OF COMMERCE  
OFFICIALS, HGUYEN PHUOC DICH AND MISS BUI THU HA.  
BECAUSE OF THE SHORTNESS OF TIME, HUBER WAS UNABLE TO CALL  
ON ANY OTHER AGENCIES OR FOREIGN MISSION.

2. TECHNICAL DISCUSSIONS. DISCUSSION WITH BAN  
OFFICIALS LASTED SEVERAL HOURS AT A TIME AND COVERED  
SUCH TOPICS AS EURO BONDS, SYNDICATED LOANS, HOW US  
BANKS ESTABLISH CORRESPONDEN RELATIONSHIPS WITH OTHER  
INSTITUTIONS, PROJECT FINANCING, SHIP FINANCING, LOAN  
PROCEDURES--WITH EMPHASIS ON 1-3 LOANS--AND A VARIETY  
OF OTHER QUESTIONS, MANY VERY BASIC. THE VIETNAMESE  
SEEMED TO BE MOST FAMILIAR WITH THE DETAILS OF TAIWAN  
BANKING MARKET, ITS RATES AND INTEREST STRUCTURE, WHICH  
THEY OFTEN REFERRED TO AS AN EXAMPLE IN THEIR COMMENTS.  
THE VIETNAMESE WERE AWARE THAT MANUFACTURERS HANOVER  
HAD A BRANCH IN BUCHAREST AND WANTED TO KNOW HOW IT  
OPERATED, WHO IN THE ROMANIAN GOVERNMENT IT WORKED  
WITH, WHAT KIND OF SERVICES IT PERFORMED, HOW MANY  
AMERICAN AND LOCAL EMPLOYEES IT HAD AND MANY OTHER  
DETAILS ABOUT ITS FUNCTIONING. IN ADDITION, THEY ASKED  
WHAT OTHER AMERICAN BANKS OPERATED IN SOCIALIST  
COUNTRIES AND IN WHICH COUNTRIES DID THEY OPERATE.

3. VIETNAMESE BANKING. THE VIETNAMESE NOTED WITH PRIDE  
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THE SEVERAL HUNDRED BRANCHES OF THE STATE BANK RECENTLY  
ESTABLISHED THROUGHOUT VIETNAM AS WELL AS THE THREE NEW  
BRANCHES OF THE BANK FOR FOREIGN TRADE IN DANANG, HAIPHONG  
AND HCM CITY. THE BANKS OF COMMERCE, OF INDUSTRY AND OF  
AGRICULTURE WERE ALSO MENTIONED. THE VIETNAMESE  
POINTED OUT THAT THE SAIGON BANK, VIETNAM THUONG TIN,  
STILL FUNCTIONED. IN RESPONSE TO HUBER'S QUESTIONS,  
THE VIETNAMESE SAID THAT SRV GNP FIGURES MIGHT BE MADE  
AVAILABLE AND THAT TRADE STATISTICS WERE ALREADY  
KNOWN BUT FOREIGN RESERVE FIGURES COULD NOT BE RELEASED.  
THE VIETNAMESE ADMITTED THAT THERE HAD NOT BEEN MUCH  
RESPONSE TO THEIR NEWLY PUBLISHED FOREIGN INVESTMENT  
CODE AND SAID MORE INFORMATION, ESPECIALLY IN THE AREA  
OF TAXATION, WOULD BE RELEASED SOON BY APPROPRIATE  
MINISTRIES AND DEPARTMENTS. (COMMENT: CONGEN NOTES  
THAT A FULL COPY OF THE CODE APPEARED IN THE AUGUST  
EDITION OF THE VIETNAMESE ENGLISH PUBLICATION, VIETNAM  
COURIER.)

4. US-VIETNAMESE RELATIONS. VIETNAMESE HOSTS MADE  
LITTLE REFERENCE TO THE WAR OR TO US-VIETNAMESE REALTIONS.  
THERE SEEMED TO BE LITTLE CONCERN OVER US WARTIME

EFFORTS IN THE SOUTH BUT CONSIDERABLE SENSITIVITY WHENVER US BOMBING IN THE NORTH WAS TOUCHED ON. LE HONG DID URGE HUBER TO HAVE MANUFACTURERS HANOVER DO WHATEVER IT COULD TO BRING ABOUT NORMALIZATION WITH THE US AS QUICKLY AS POSSIBLE. NO MENTION WAS MADE OF US ECONOMIC ASSISTANCE OR "HEALING THE WOUNDS OF WAR." REFERENCE TO OTHER COUNTRIES, I.E., THE USSR AND THE PRC WAS ALSO AVOIDED. THE VIETNAMESE DID ADMIT THAT WITH THE END OF THE WAR, ECONOMIC ASSISTANCE MIGHT BE MORE DIFFICULT TO ACQUIRE AND LOANS WOULD BE INCREASINGLY NEEDED.

5. FROZEN ASSETS. HUBER NOTED THAT DIVIDENDS ACCUMULATING ON VIETNAM'S SEVERAL MILLION DOLLARS HELD FROZEN  
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IN MANUFACTURERS' ACCOUNTS. (COMMENT: MANUFACTURERS HELD NO ASSETS IN SOUTH VIETNAM). THE VIETNAMESE INQUIRED IF THEIR FROZEN ASSETS MIGHT BE CONSOLIDATED INTO ONE ACCOUNT AND INVESTED IN A MORE PROFITABLE WAY SUCH AS BONDS. HUBER SAID PERMISSION FOR SUCH A TRANSFER WOULD HAVE TO COME FROM THE USG AND PROMISED THAT MANUFACTURERS WOULD CHECK INTO THE MATTER. (HUBER EXPECTED HIS HEAD OFFICE WOULD RAISE THIS WITH TREASURY.)

6. ASIDE FROM A SHORT VISIT WITH THE VIETNAM CHAMBER OF COMMERCE (REFERRED TO IN REFTEL (B) AND A TRIP TO THE WAR MUSEUM, HUBER HAD NO FURTHER MEETINGS. HUBER WAS ESPECIALLY PLEASED WHEN DURING HIS DEPARTURE THE VIETNAMESE THANKED HIM FOR HIS VISIT AND ASKED HIM TO RETURN SOON.  
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## Message Attributes

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